

(323) 881-2401

October 7, 2002

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**ANNUAL FEES FOR HAZARDOUS WASTE GENERATORS AND HAZARDOUS
MATERIALS HANDLERS FOR FISCAL YEAR 2002-03
(ALL) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR HONORABLE BOARD ACTING AS THE
GOVERNING BODY OF THE CONSOLIDATED FIRE PROTECTION DISTRICT
AFTER THE PUBLIC HEARING:**

1. Approve the adjustments in annual fees and cost recovery hourly rates for hazardous waste generators and hazardous materials handlers for Fiscal Year 2002-03 shown on the attached fee schedule (Attachment 1), developed in accordance with the annual adjustment provisions of the County Code as delineated in Sections 12.52.070, 12.56.070, 12.60.080, and 12.64.070, and approved by the Auditor-Controller.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION:

The annual fee adjustments established in accordance with the provision established in the County Code provisions which will accomplish the following:

1. Adjust the annual fees for the Hazardous Waste Generator and Hazardous Materials Handler Programs and the cost recovery hourly rates for emergency responses, site mitigation oversight, and risk management plan reviews. This is

to allow for changes in program costs brought about by staffing level changes necessary to implement State mandated program requirements, changes in staff salaries and overhead rates, and the number of regulated facilities falling within each of the established fee categories.

2. Encourage full cost recovery for the Hazardous Waste Generator and Hazardous Materials Handler Programs.
3. Facilitate the single fee billing process mandated by the Unified Program by establishing fair and equitable fees to be billed for Fiscal Year 2002-03.

This Department implements the Hazardous Waste Generator, Hazardous Materials Handler, and the California Accidental Release Prevention (Cal-ARP) Programs under the auspices of the Unified Program for the State of California. State law and the County Code allow for the recovery of reasonable and necessary costs to administer these programs. Your Honorable Board established annual fees and annual adjustment provisions for each of these programs to recover the costs of implementation. Cost recovery hourly rates were also established for emergency responses, site mitigation oversight, and risk management plan reviews by this Department. Annual adjustments were also established for these cost recovery rates.

The annual adjustment provisions established in the County Code maintain the same fee methodology as originally established by your Honorable Board. The adjustments incorporate changes in program costs that result from changes in salaries and overhead rates and the number of regulated facilities falling within each established fee category. Similarly, annual adjustments to cost recovery rates only reflect changes in Departmental costs to administer those services.

IMPLEMENTATION OF STRATEGIC PLAN GOALS:

Adoption of the proposed annual fees and cost recovery rates for Fiscal Year 2002-03 as determined by the annual adjustment provisions established in the County Code, will ensure full cost recovery for the Hazardous Materials/Waste Programs administered by this Department and will facilitate the billing process for the single fee system mandated by the Unified Program.

FISCAL IMPACT/FINANCING:

The costs of implementation for the proposed fee revisions are negligible and the benefits will include fees that are apportioned in accordance with program costs to ensure full recovery of program implementation costs. It is anticipated that a number of previously unidentified facilities will also be brought under program requirements as a result of this Department's planned outreach programs. Fees recovered from these newly discovered facilities will tend to lower fees or at least minimize the need for future fee increases for all regulated businesses.

Current program costs are fully offset by a combination of fees and direct cost recovery billing for specific services. The proposed revisions in annual fees for the Hazardous Waste, Hazardous Materials (Disclosure) and Cal-ARP Programs will continue to allow full recovery of the reasonable and necessary costs to implement the programs.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

The fee revisions will be effective in all areas under the jurisdiction of the Los Angeles CUPA for Fiscal Year 2002-03. The invoices for these facilities will be generated and mailed throughout the fiscal year. The Cities of Los Angeles and Santa Monica have already generated annual fee invoices for Fiscal Year 2002-03 for the Hazardous Waste Generator Program.

California Health and Safety Code, Sections 25404.5(a)(2) and (3), grants authorization to the governing body of the local Certified Unified Program Agency (CUPA), to establish fees to recover reasonable and necessary program costs.

The Auditor-Controller has reviewed and approved the cost basis and fee adjustments.

The annual adjustments are exempt from the California Environmental Quality Act (CEQA) pursuant to Public Resources Code Section 21080(b)(8), because they involve fees to recover operating costs.

This request for approval of the revised fees is made after compliance with all public notifications and hearing requirements as specified in Sections 6062(a) and 66018 of the Government Code.

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IMPACT ON CURRENT SERVICE (OR PROJECTS):

The approval of the annual fee adjustments for the Hazardous Waste, Hazardous Materials, and Cal-ARP Programs and for the cost recovery programs will serve to establish the reasonable and necessary fees for Fiscal Year 2002-03, facilitate the fiscal year billing process mandated by the Unified Program, and assure full recovery of program implementation costs. The annual adjustments fairly allocate changes in program costs to regulated facilities while maintaining the integrity of the original fee methodologies.

CONCLUSION:

Please return the adopt-stamped copy of the letter and attachments to Bill Jones, Chief, Health Hazardous Materials Division, 5825 Rickenbacker Road, Commerce, CA 90040.

Respectfully submitted,

P. MICHAEL FREEMAN

PMF:WJ:na

Attachments

c: David E. Janssen
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Auditor-Controller
County Counsel

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**NOTICE OF PUBLIC HEARING
PROPOSED FEE SCHEDULE**

Notice is hereby given that a public hearing will be held by the Board of Supervisors of the County of Los Angeles regarding adjustments in the annual fees to be paid by businesses generating hazardous waste or handling hazardous materials in Los Angeles County, and the hourly rates to be paid for hazardous materials emergency response, site mitigation oversight, and risk management plan review cost recovery programs.

Said hearing will be held on Tuesday, October 22, 2002 at 9:30 a.m. in the Hearing Room of the Board of Supervisors, Room 381B, Kenneth Hahn Hall of Administration, 500 West Temple Street (corner of Temple Street and Grand Avenue), Los Angeles, California 90012.

The Board of Supervisors will consider and may adopt the fee schedule. Further, notice is given that the Board of Supervisors may continue this hearing from time to time.

Written comments may be sent to the Executive Office of the Board of Supervisors at the above address. If you do not understand this notice or need more information, please call (323) 890-4045.

Si no entiende esta noticia o si necesita mas informacion favor de llamar a este numero (323) 890-4045.

VIOLET VARONA-LUKENS
EXECUTIVE OFFICER – CLERK OF
THE BOARD OF SUPERVISORS

ATTACHMENT 1
LOS COUNTY FIRE DEPARTMENT
OVERVIEW OF HEALTH HAZARDOUS MATERIALS FEES

Programs	1999-00 Fees	20070-01 Fees	2001-02 Fees	2002-03 Fees	Percent Change
<u>OVERALL HHMD COSTS</u>			\$11,899,898	\$12,361,627	3.88%
<u>Hazardous Waste Generators</u>					
Group 0 – Silver Only Generators	NA	\$182.00	\$182.00	\$190.00	4.6%
Group 1 – Employees 0-5	\$427.00	\$364.00	\$364.00	\$381.00	4.6%
Group 2 – Employees 6-19	\$516.00	\$502.00	\$502.00	\$531.00	5.7%
Group 3 – Employees 20-100	\$681.00	\$706.00	\$706.00	\$753.00	6.6%
Group 4 – Employees 101-500	\$922.00	\$1,029.00	\$1,029.00	\$1,104.00	7.3%
Group 5 – Employees 501 or more	\$1,615.00	\$1,725.00	\$1,725.00	\$1,850.00	7.2%
<u>Tiered Permitting</u>					
PBR Facilities	\$1,012.00	\$1,012.00	\$1,012.00	\$1,012.00	NC
CA Facilities	\$747.00	\$747.00	\$747.00	\$747.00	NC
CE Facilities	\$109.00	\$109.00	\$109.00	\$109.00	NC
<u>Hazardous Materials Disclosure</u>					
Category I – Small Quantity Handler	N/A	N/A	\$140.00	\$144.00	3.0%
Category I - Minor	\$204.00	\$204.00	\$208.00	\$214.00	2.8%
Category II - Moderate	\$247.00	\$247.00	\$271.00	\$279.00	2.9%
Category III – Major	\$368.00	\$368.00	\$380.00	\$390.00	2.7%
Category IV – Major Large	\$462.00	\$462.00	\$529.00	\$542.00	2.5%
Category V - Major Complex	\$761.00	\$761.00	\$868.00	\$887.00	2.1%
<u>Cal-ARP (was RMPP)</u>					
Risk Unit Rate (TBD = To Be Determined for FY 2002-03)	\$16.04	\$15.31	\$18.04	TBD	

<u>State Service Charges</u>					
Unified Program Facility	\$10.00	\$10.00	\$17.50	\$17.50	
Underground Storage Tank	\$8.00	\$8.00	\$10.00	\$10.00	
Cal-ARP Facility	\$105.00	\$105.00	\$200.00	\$200.00	

DIRECT BILLING TO BUSINESSES					
<u>Emergency Response</u>					
Single Hourly Rate	\$120.11	\$87.79	\$89.44	\$84.73	
Initial Administrative Charge	\$209.00	\$176.00	\$178.00	\$169.00	
<u>Site Mitigation (elective services)</u>					
Single Hourly Rate	\$90.51	\$94.06	\$92.18	\$95.75	
Initial Oversight Charge	\$1,606.00	\$1,411.00	\$1,380.00	\$1,436.00	
<u>Cal-ARP</u>					
Single Hourly Rate	N/A	\$87.19	\$95.73	\$96.02	
<u>Reinspection Fee</u>	\$215.00	\$215.00	\$215.00	\$215.00	